

WARD ONE SOUTH GRAVITY DRAINAGE DISTRICT NO. 1  
OF ST. LANDRY PARISH  
OPELOUSAS, LOUISIANA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date AUG 13 2014

## TABLE OF CONTENTS

	<u>PAGE</u>
Independent Accountant's Review Report	1
<u>FINANCIAL SECTION</u>	
<u>BASIC FINANCIAL STATEMENTS</u>	
Government-wide Financial Statements	
Statement of Net Position	2
Statement of Activities	3
Fund Financial Statements	
Balance Sheet – Governmental Fund	4
Reconciliation of the Governmental Fund's Balance Sheet to the Statement of Net Position	5
<i>Statement of Revenues, Expenditures, and Changes in     Fund Balance – Governmental Fund</i>	6
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	7
Notes to Financial Statements	8-16
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Budgetary Comparison Schedule General Fund	17
<u>OTHER SUPPLEMENTARY INFORMATION</u>	
Independent Accountant's Report on Applying Agreed-Upon Procedures	18-20
Schedule of Findings and Responses	21
Schedule of Prior Year Findings	22
Louisiana Attestation Questionnaire	23-24

James L. Nicholson, Jr., CPA  
 G. Kenneth Pavy, II, CPA  
 Michael A. Roy, CPA  
 Lisa Trouille Manuel, CPA  
 Dana D. Quebedeaux, CPA



**JOHN S. DOWLING & COMPANY**  
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA  
 1904-1984  
 John Newton Stout, CPA  
 1936-2005  
 Chizal S. Fontenot, CPA  
 1955-2012

Retired

Harold Dupre, CPA  
 1996  
 Dwight Ledoux, CPA  
 1998  
 Joel Lanclos, Jr., CPA  
 2003  
 Russell J. Stelly, CPA  
 2005

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Board of Commissioners  
 Ward One South Gravity Drainage  
 District No. 1 of St. Landry Parish  
 Opelousas, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, and each major fund of Ward One South Gravity Drainage District No. 1 of St. Landry Parish, as of and for the year ended December 31, 2013, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the District. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management of the District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated June 24, 2014, on the results of our agreed-upon procedures.

Accounting principles generally accepted in the United States of America require that the budgetary comparison on page 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information was not audited, reviewed, or compiled by us and we do not express an opinion or provide any assurance on it.

Management has omitted the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The results of our review of the basic financial statements are not affected by this missing information.

*John S. Dowling & Company*  
 Opelousas, Louisiana  
 June 24, 2014

**BASIC FINANCIAL STATEMENTS**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

WARD ONE SOUTH GRAVITY DRAINAGE DISTRICT NO. 1 OF ST. LANDRY PARISH  
OPELOUSAS, LOUISIANA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2013

GOVERNMENTAL ACTIVITIES

ASSETS

Cash	\$ 127,488
Investments	495,503
Property taxes receivable, net	172,704
Capital assets, net	292
<u>Total assets</u>	<u>795,987</u>

LIABILITIES

Accounts payable	51
<u>Total liabilities</u>	<u>51</u>

NET POSITION

Net investment in capital assets	292
Unrestricted	795,644
<u>Total net position</u>	<u>795,936</u>

See accompanying notes and independent accountant's review report.

WARD ONE SOUTH GRAVITY DRAINAGE DISTRICT NO. 1 OF ST. LANDRY PARISH  
OPELOUSAS, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>
<u>ACTIVITIES</u>	
<u>Governmental Activities</u>	
Public works	\$ (375,605)
<u>Total governmental activities</u>	<u>(375,605)</u>
General revenues	
Property taxes	192,616
Interest and investment earnings	5,785
<u>Total general revenues</u>	<u>198,401</u>
Change in net position	(177,204)
Net position – January 1, 2013	<u>973,140</u>
Net position – December 31, 2013	<u><u>795,936</u></u>

See accompanying notes and independent accountant's review report.

FUND FINANCIAL STATEMENTS



WARD ONE SOUTH GRAVITY DRAINAGE DISTRICT NO. 1 OF ST. LANDRY PARISH  
OPELOUSAS, LOUISIANA  
BALANCE SHEET - GOVERNMENTAL FUND  
DECEMBER 31, 2013

	<u>2013</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 127,488
Investments	495,503
Property taxes receivable, net	<u>172,704</u>
<u>Total assets</u>	<u>795,695</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>	
<u>LIABILITIES</u>	
Accounts payable	\$ 51
<u>Total liabilities</u>	<u>51</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Unavailable revenues - property taxes	13,599
<u>Total deferred inflows of resources</u>	<u>13,599</u>
<u>FUND BALANCE</u>	
Unassigned	782,045
<u>Total fund balance</u>	<u>782,045</u>
<u>Total liabilities, deferred inflows of resources and fund balance</u>	<u>795,695</u>

See accompanying notes and independent accountant's review report.

WARD ONE SOUTH GRAVITY DRAINAGE DISTRICT NO. 1 OF ST. LANDRY PARISH  
OPELOUSAS, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUND'S BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2013

Total fund balance for the Governmental Fund at December 31, 2013		\$ 782,045
The Statement of Net Position reports receivables at their net realizable value. However, receivables not available to pay for current-period expenditures are deferred in governmental funds.		13,599
Cost of capital assets at December 31, 2013	\$ 5,663	
Less: Accumulated depreciation as of December 31, 2013	<u>(5,371)</u>	<u>292</u>
Net position at December 31, 2013		<u><u>795,936</u></u>

See accompanying notes and independent accountant's review report.

WARD ONE SOUTH GRAVITY DRAINAGE DISTRICT NO. 1 OF ST. LANDRY PARISH  
OPELOUSAS, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>
<u>REVENUES</u>	
Taxes	
Property taxes	\$ 190,769
Investment earnings	5,785
<u>Total revenues</u>	<u>196,554</u>
<u>EXPENDITURES</u>	
Current	
General and administrative	
Engineering assistance	20,386
Canal maintenance	332,107
Office expense	636
Per diem and mileage	5,300
Professional fees	3,100
Contract services	12,600
Telephone	589
Miscellaneous	660
<u>Total expenditures</u>	<u>375,378</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>(178,824)</u>
<u>FUND BALANCE, beginning of year (as previously reported)</u>	960,869
Restatement (Note 9)	<u>(11,752)</u>
<u>FUND BALANCE, beginning of year (as restated)</u>	<u>949,117</u>
<u>FUND BALANCE, end of year</u>	<u>770,293</u>

See accompanying notes and independent accountant's review report.

WARD ONE SOUTH GRAVITY DRAINAGE DISTRICT NO. 1 OF ST. LANDRY PARISH  
OPELOUSAS, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

Total net change in fund balance for the year ended December 31, 2013 per Statement of Revenues, Expenditures and Changes in Fund Balance		\$ (178,824)
Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received.		1,847
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	\$ -	
Depreciation expense for year ended December 31, 2013	<u>(227)</u>	<u>(227)</u>
<u>Total change in net position for the year ended December 31, 2013 per Statement of Activities</u>		<u>(177,204)</u>

See accompanying notes and independent accountant's review report.

WARD ONE SOUTH GRAVITY DRAINAGE DISTRICT NO. 1 OF ST. LANDRY PARISH  
OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Ward One South Gravity Drainage District No. 1 of St. Landry Parish, Opelousas, Louisiana, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in the subsequent subsection of this note.

The following is a summary of certain significant accounting policies and practices of the District.

A. FINANCIAL REPORTING ENTITY

The Ward One South Gravity Drainage District No. 1 of St. Landry Parish was established for the purpose of opening and maintaining all natural drains in the District, where drainage is accomplished using the natural force of gravity.

As the governing authority of the parish, for reporting purposes, the St. Landry Parish Government is the financial reporting entity for St. Landry Parish. The financial reporting entity consists of (a) the primary government (parish government), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Landry Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the parish government to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish government.
2. Organizations for which the parish government does not appoint a voting majority but are fiscally dependent on the parish government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the parish government appoints the District's governing body, the District was determined to be a component unit of the St. Landry Parish Government, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

WARD ONE SOUTH GRAVITY DRAINAGE DISTRICT NO. 1 OF ST. LANDRY PARISH  
OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION

Government-wide Financial Statements (GWFS). The Statement of Net Position and the Statement of Activities display information on all of the nonfiduciary activities of Ward One South Gravity Drainage District No. 1 of St. Landry Parish, as a whole. They include all funds of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Position at the fund financial statement level.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements. The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The Governmental Fund of the District includes:

General Fund

The General Fund is the general operating fund of the Ward One South Gravity Drainage District No. 1 of St. Landry Parish. It is used to account for all financial resources except those required to be accounted for in other funds.

WARD ONE SOUTH GRAVITY DRAINAGE DISTRICT NO. 1 OF ST. LANDRY PARISH  
OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined in item "b" below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on the balance sheet. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objective of this measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State of Louisiana are recognized when susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Purchase of various operating supplies are regarded as expenditures at the time purchased. The costs of governmental fund-type inventories are recorded as expenditures when purchased and items on hand at year-end, if any, are not recorded as assets. Expenditures for insurance and similar services which extend over more than one accounting period are accounted for as expenditures of the period of acquisition.

WARD ONE SOUTH GRAVITY DRAINAGE DISTRICT NO. 1 OF ST. LANDRY PARISH  
OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. BUDGETS AND BUDGETARY ACCOUNTING

The District is required by state law to adopt an annual budget for its General Fund. The budget is adopted on a cash basis. The Board of Commissioners may authorize revisions requiring alteration of levels of expenditures. Operating appropriations lapse at year-end.

The operating budget was adopted at a meeting held on December 10, 2012.

The revenues, expenditures and fund balance shown on page 6 are reconciled with the amounts reflected in the budget comparisons on page 16 as follows:

	<u>GENERAL FUND</u>
Revenues - page 6	\$ 196,554
Add: Prior year property taxes receivable	170,729
Current year unavailable revenue	13,599
Less: Current year property taxes receivable	(172,704)
Prior year unavailable revenue	<u>(11,751)</u>
Revenues - page 16	<u>196,427</u>
Expenditures - page 6	\$ 375,378
Add: Prior year payables	48
Less: Current year payables	<u>(51)</u>
Expenditures - page 16	<u>375,375</u>
Fund balance, end of year - page 6	\$ 770,293
Add: Current year payables	51
Current year unavailable revenue	13,599
Less: Current year receivables	<u>(172,704)</u>
Fund balance, end of year - page 16	<u>611,239</u>

E. ENCUMBRANCES

Encumbrance accounting is not used by the Drainage District.

F. INVESTMENTS AND CASH

Investments are stated at cost. Investments consist of cash and fixed income securities which are invested in certificates of deposit.

Louisiana statutes authorize the District to invest in United States bonds, treasury notes or certificates of deposit in state and national banks, or any other federally insured investment.



WARD ONE SOUTH GRAVITY DRAINAGE DISTRICT NO. 1 OF ST. LANDRY PARISH  
OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FIXED ASSETS

The accounting treatment over property, plant and equipment (capital assets) depends on whether they are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Prior to GASB No. 34, governments were not required to report general infrastructure assets. Although now required to capitalize infrastructure, the District, due to the nature of its operations, did not have infrastructure expenditures. Also, interest costs during construction are not capitalized.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Office equipment	5 - 10 years
------------------	--------------

H. PENSION PLANS

The Drainage District does not have a pension plan. The employees of the Drainage District participate in the Social Security Retirement System.

I. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

J. EQUITY CLASSIFICATIONS

In the government-wide statements, equity is classified as net position and displayed in three components:

1. Net investment in capital assets - Consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position - Consist of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "Net investment in capital assets."

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

WARD ONE SOUTH GRAVITY DRAINAGE DISTRICT NO. 1 OF ST. LANDRY PARISH  
OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. EQUITY CLASSIFICATIONS (Continued)

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

1. Restricted fund balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions for enabling legislation.
2. Committed fund balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board of Directors – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Directors removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
3. Assigned fund balance – This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board of Directors have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted or committed.
4. Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

The District considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned in order as needed.

K. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until that time. The Commission does not have any of this type.

**WARD ONE SOUTH GRAVITY DRAINAGE DISTRICT NO. 1 OF ST. LANDRY PARISH**  
**OPELOUSAS, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**K. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES - Continued**

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. Property taxes and state revenue sharing receivable for the governmental fund types, which have been remitted within 60 days subsequent to the year end, are considered measurable and available and recognized as revenues. All other property taxes and state revenue sharing are offset by deferred inflows of resources and, accordingly, have not been recorded as revenue.

**2. CASH AND INVESTMENTS**

At December 31, 2013 the total bank balance of the District's deposits (cash and certificates of deposit) was \$622,989, all of which was covered by FDIC insurance. Investments, which include cash, a bank deposit sweep, and certificates of deposit with a broker, as of December 31, 2013 are as follows:

	<u>Investments at Cost</u>	<u>Increases/ (Decreases)</u>	<u>Investments at Fair Value</u>
Investments	\$ 495,503	\$ 2,352	\$ 497,855

**3. PROPERTY TAXES**

The District's *ad valorem* property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. Property taxes are due on October 1 and become delinquent by January 1 of the following year. The St. Landry Parish Sheriff bills, collects, and distributes the property taxes for the District using the assessed values determined by the tax assessor of St. Landry Parish.

All accounts and property taxes receivable are shown net of any allowance for uncollectible accounts. Governmental funds report deferred revenue in connection with receivables for revenues over 60 days that are not considered to be available to liquidate liabilities of the current period.

For the year ended December 31, 2013, a tax millage of 3.20 was assessed for maintenance. As per state requirements, each taxing district of the parish must remit 3.1227% of total *ad valorem* taxes per the tax roll to the pension fund. This amount is determined by the legislative auditor each year. Since the Sheriff collects all taxes for the parish, the tax collected in the first month is reduced by the Sheriff for the pension fund amount owed and the remainder is remitted to the taxing district. Therefore, property taxes are shown net of pension fund distributions as follows:

	<u>Total Tax Per Roll</u>	<u>Pension Fund Requirements</u>	<u>Property Tax Receivable</u>
General Fund	\$ 196,147	\$ (6,125)	\$ 190,022

WARD ONE SOUTH GRAVITY DRAINAGE DISTRICT NO. 1 OF ST. LANDRY PARISH  
OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

4. PROPERTY TAXES RECEIVABLE

A breakdown of property taxes receivable as of December, 2013 is as follows:

	<u>Taxes Receivable</u>	<u>Estimated Uncollectible</u>	<u>Collections in December</u>	<u>Net Taxes Receivable</u>
General Fund	\$ 190,022	\$ (7,159)	\$ (10,159)	\$ 172,704

5. CAPITAL ASSETS AND DEPRECIATION

Capital assets and depreciation activity as of and for the year ended December 31, 2013, for the District are as follows:

	<u>Balances 1/1/2013</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balances 12/31/2013</u>
Governmental activities				
Office equipment	\$ 5,663	\$ -	\$ -	\$ 5,663
<u>Totals at historical cost</u>	<u>5,663</u>	<u>-</u>	<u>-</u>	<u>5,663</u>
Less accumulated depreciation				
Office equipment	(5,144)	(227)	-	(5,371)
<u>Total accumulated depreciation</u>	<u>(5,144)</u>	<u>(227)</u>	<u>-</u>	<u>(5,371)</u>
Governmental activities				
Capital assets, net	<u>519</u>	<u>(227)</u>	<u>-</u>	<u>292</u>

Depreciation expense for the year ended December 31, 2013 amounted to \$227.

6. PER DIEM AND MILEAGE

Per diem and mileage paid to board members are summarized below:

<u>Board Members</u>	<u>2013</u>
John Auzenne	\$ 1,100
Wayne Doucet	1,100
Berchman Sylvester	800
Randy Wagley	1,200
Mitchell Wyble	1,100
<u>Total</u>	<u>5,300</u>

7. SUBSEQUENT EVENTS

Subsequent events were evaluated through June 24, 2014, which is the date of the financial statements were available to be issued. As of June 24, 2014, there were no subsequent events noted.

WARD ONE SOUTH GRAVITY DRAINAGE DISTRICT NO. 1 OF ST. LANDRY PARISH  
OPELOUSAS, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The Ward One South Gravity Drainage District No. 1 of St. Landry Parish does not provide any post-employment benefits to retirees and therefore is not required to report under GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions.

9. FUND BALANCE CONSTRAINTS

The constraints on fund balance as listed in aggregate in the Statement of Revenues, Expenditures, and Changes in Fund Balances are detailed according to balance classification and fund.

	<u>General Fund</u>
Fund Balances:	
Nonspendable	\$ -
Restricted	-
Committed	-
Assigned	-
Total - Assigned	<u>-</u>
Unassigned	<u>782,045</u>
Total fund balances	<u><u>782,045</u></u>

10. FUND BALANCE RESTATED

The beginning fund balance at January 1, 2013 was restated for the implementation of GASB 65, "Items Previously Reported as Assets and Liabilities." The affect was a decrease in fund balance of \$11,752 and an increase in revenues of \$11,752.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**

WARD ONE SOUTH GRAVITY DRAINAGE DISTRICT NO. 1 OF ST. LANDRY PARISH  
OPELOUSAS, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGETARY COMPARISON SCHEDULE (CASH BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013

	GENERAL FUND			VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET			
	ORIGINAL	FINAL	ACTUAL	
<u>REVENUES</u>				
Taxes				
Property taxes	\$ 188,772	\$ 194,217	\$ 190,642	\$ (3,575)
Interest income	5,966	5,777	5,785	8
<u>Total revenues</u>	<u>194,738</u>	<u>199,994</u>	<u>196,427</u>	<u>(3,567)</u>
<u>EXPENDITURES</u>				
Current				
General and administrative				
Canal maintenance	817,500	316,369	332,107	(15,738)
Office expense	1,800	636	636	-
Per diem and mileage	19,650	17,800	17,900	(100)
Professional fees	85,600	24,181	23,486	695
Telephone	650	585	586	(1)
Miscellaneous	1,650	-	660	(660)
<u>Total expenditures</u>	<u>926,850</u>	<u>359,571</u>	<u>375,375</u>	<u>(15,804)</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>(732,112)</u>	<u>(159,577)</u>	<u>(178,948)</u>	<u>(19,371)</u>
<u>FUND BALANCE</u> , beginning of year (as previously reported)			801,938	
Restatement (Note 9)			(11,751)	
<u>FUND BALANCE</u> , beginning of year (as restated)			<u>790,187</u>	
<u>FUND BALANCE</u> , end of year			<u>611,239</u>	

See independent accountant's review report.

OTHER SUPPLEMENTARY INFORMATION



James L. Nicholson, Jr., CPA  
 G. Kenneth Pavy, II, CPA  
 Michael A. Roy, CPA  
 Lisa Trouille Manuel, CPA  
 Dana D. Quebedeaux, CPA



**JOHN S. DOWLING & COMPANY**  
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA  
 1904-1984  
 John Newton Stout, CPA  
 1936-2005  
 Chlzal S. Fontenot, CPA  
 1955-2012

Retired

Harold Dupre, CPA  
 1996  
 Dwight Ledoux, CPA  
 1998  
 Joel Lanclos, Jr., CPA  
 2003  
 Russell J. Stelly, CPA  
 2005

**INDEPENDENT ACCOUNTANT'S REPORT  
 ON APPLYING AGREED-UPON PROCEDURES**

The Board of Commissioners  
 Ward One South Gravity Drainage  
 District No. 1 of St. Landry Parish  
 Opelousas, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Ward One South Gravity Drainage District No. 1 of St. Landry Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 2013 included in the accompanying Louisiana Attestation Questionnaire. Management of the District is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$30,000 or public works exceeding \$150,000, and determine whether such purchases were made in accordance with R.S. 38:2211-2296 (the public bid law) or R.S. 39:1551-39:1755 (the state procurement code), whichever is applicable.

No expenditures were made during the year for materials and supplies exceeding \$30,000. Expenditures for public works exceeding \$150,000 were made in accordance with R.S. 38:2211-2296.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

The District had no employees during the period under examination.

The Board of Commissioners  
 Ward One South Gravity Drainage District  
 No. 1 of St. Landry Parish  
 Page 2

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

The District had no employees during the period under examination.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the budget legally adopted on December 10, 2012 and a copy of the amended budget adopted on December 9, 2013.

6. Trace the budget adoption and amendments to the minute book.

The budget adoption was traced to minutes of the December 10, 2012 meeting and the amendments were traced to minutes of the December 9, 2013 meeting.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more, or if expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the General Fund's final budget to actual revenues and expenditures. Budgeted revenues did not exceed actual revenues by 5% or more. Actual expenditures did not exceed budgeted expenditures by 5% or more.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- (a) Trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the 6 selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) Determine if payments were properly coded to the correct fund and general ledger account; and

Payments were properly coded to the correct fund and general ledger account.

- (c) Determine whether payments received approval from proper authorities.

There was no documentation of approval by the Board of Commissioners for one of the six payments selected.

Management Response: The District will properly document approved expenses by the Board on all future payments made.

Contact Person: Claire Speyrer, Secretary/Treasurer

The Board of Commissioners  
Ward One South Gravity Drainage District  
No. 1 of St. Landry Parish  
Page 3

#### Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law).

Ward One South Gravity Drainage District No. 1 of St. Landry Parish is only required to post a notice of each meeting and the accompanying agenda. Management has asserted that such documents were properly posted, and the notices are included with the minutes.

#### Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

#### Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

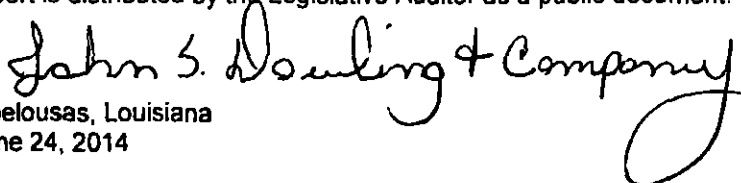
A reading of the minutes of the District for the year indicated no approval for any such payments noted. As noted in agreed-upon procedure (3), the District has no employees and therefore no payroll records to examine.

#### Prior Comments and Recommendations

Our prior year report, dated June 19, 2013, included one comment which has been resolved.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Ward One South Gravity Drainage District No. 1 of St. Landry Parish and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

  
Opelousas, Louisiana  
June 24, 2014

WARD ONE SOUTH GRAVITY DRAINAGE DISTRICT NO. 1 OF ST. LANDRY PARISH  
OPELOUSAS, LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2013

SECTION I - INTERNAL CONTROL AND COMPLIANCE

2013-1 Approval of Invoices

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III - MANAGEMENT LETTER

No findings

WARD ONE SOUTH GRAVITY DRAINAGE DISTRICT NO. 1 OF ST. LANDRY PARISH  
OPELOUSAS, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2013

SECTION I - INTERNAL CONTROL AND COMPLIANCE

2012-1 Budget Amendment - Resolved

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III - MANAGEMENT LETTER

No findings

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
(For Attestation Engagements of Government)

FEBRUARY 10, 2014 (Date Transmitted)

JOHN S DOWLING & COMPANY

P O BOX 1549

OPETOUSAS, LA 70571-1549

(Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [☒] No [ ]

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [☒] No [ ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes [☒] No [ ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [☒] No [ ]

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [☒] No [ ]

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [☒] No [ ]

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [☒] No [ ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes [☒] No [ ]

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements,

without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [☒] No [ ]



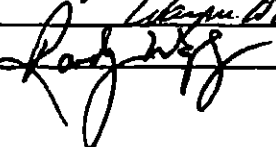
#### Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [☒] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

	Secretary	<u>2/10/14</u>	Date
	Treasurer	<u>2/10/14</u>	Date
	President	<u>2/10/14</u>	Date